In Wall Street

Down in Wall Street opinions are always on a "G. T. C." basis, and the cancellations are going to be numerous unless the market takes a decided turn after it has passed an imaginary line just sixteen days hence. Almost everywhere in the financial district brokers and speculators are saying that while nothing much is to be expected in the way of increased activity this month, stocks are going to boom again after the turn of the year.

The grounds for this belief are rather vague. It is just a sort of feeling that the nation's economic books are going to be balanced on January 1, as are the books of corporations, so that things may start afresh. If you try to pin one of these optimists down to a statement of the foundation for his belief he will give you a number of reasons which are of minor importance even in his own estimation, and finally come to the really important one, namely, the conviction that money will be easier. Why? Oh, because January disbursements will be out of the way, tax payments a good distance off, and so on.

Now, this may easily happen. Doubtless money will be easier after the first of the year. But will it be the kind of ease that would permit large scale bull speculation in stocks? That is, to say the least, doubtful in the extreme. There are no signs whatever of a let-up in the commercial demand for funds, while the government's requirements are still large and the question of providing credits for our foreign customers becomes more pressing every day, a question to which an answer must be found without delay, if a grave collapse in our export trade is to be averted.

Moreover, these pressing demands are coincident with a heavy drain on the country's stock of money gold, a factor the importance of which does not seem to be generally appreciated. Loss of gold in such large amounts as we have been losing it since the embargo was lifted, and particularly in the last two months, must inevitably produce deflation of credit, for which gold is the foundation. Therefore, before an important bull speculation had gone very far, it would be found, in all probability, that the expected money ease was purely superficial. That is to say, the low rates and plentiful supply would last only so long as the money was not in great demand. Let the demand expand suddenly and the chances are rates would climb fast enough to check the speculation on which it was based. That at least is the view of a good many bankers, and it certainly is the logical thing to expect, in view of the attitude taken by the Federal Reserve Board.

But because the prospects for a great bull market early next year do not seem to be bright, it by no means necessarily follows that security values will not improve. On the contrary, they may do so, although there are so many uncertainties ahead that it would be hazardous, indeed, to forecast the course of security prices. Measured by ordinary standards, many securities look cheap at prevailing prices. But these are not ordinary times. Nevertheless, it may be found in the end that the unfavorable elements in the situation have been largely discounted.

If domestic business could be considered as a thing apart, the outlook would be promising indeed. Never was there so much work to be done. Take the situation in the steel trade, which is itself a barometer of business, for an example. During the war the capacity of American steel plants was enormously increased. Productive facilities were expanded so much that many observers held the peace outlook for the industry to be as gloomy as it well could be. A very large part of the facilities, they were certain, was bound to fall into disuse, because there could not possibly be enough business to keep the plants going at a reduced pace.

Yet exactly the reverse has happened. During the war peace demands went unsatisfied, in order that the demands of war might be met. And for one reason or another, chiefly because of labor troubles, still greater additions to the amount of deferred business have been made since hostilities ceased. Instead of having to scrap their plants, the steel mills are refusing orders, because the demand exceeds their facilities for meeting it, and will continue to do so even after labor troubles have ended and the fuel shortage is a thing of the past. This same situation obtains in other industries, too numerous to mention. The country's unfilled domestic orders form a bulwark capable of resisting a tremendous shock.

It is fortunate that this is so, for there are signs that the shock is coming and that it will be a severe one. The tumbling foreign exchange market is the barometer indicating the gathering storm. The pound sterling last week sold at a discount of about 25 per cent in terms of dollars, with nothing in sight to show that the bottom had been reached. Francs sold at 11.76 to the dollar, whereas normally a dollar would buy only 5.18 francs. The lire, with the same parity as the franc, went to 13.55 to the dollar. The German mark, normally worth 23.8 cents, brought less than 2 cents in American money. Such rates as these show plainly enough that an acute stage has been reached, and the conclusion is unescapable that demoralization of our export trade must swiftly ensue unless measures are taken to provide the credits necessary to maintain the trade. It is simply impossible for Europe to go on piling up a balance here at a rate exceeding $3,000,000,000 a year, unless payment of the balance be deferred, in part at least.

There is a tendency to regard such statements as that made by Sir George Paish last week—to the effect that unless credits are provided a disastrous collapse of commerce and exchanges will follow—as being overdrawn. But all the statistical facts tend to support his statement, and Mr. Lamont, Mr. Vanderlip, Mr. Sisson, in fact, nearly all competent observers who have had an opportunity to study the situation first hand, have said much the same thing as Sir George.

It is doubtless true that Europe would manage to pull through without our assistance, but it would be a tremendous task, and the process of recovery much slower than it would be if we were to provide the raw materials and other things needed to put the war stricken countries back on a productive basis. And, meantime, we should lose billions of dollars of profitable trade, as well as the opportunity to entrench ourselves in markets that might easily be won, now that the world is almost begging for our products. How great the effects on the domestic business situation of a slump in export trade would be cannot be gauged with accuracy. Probably they would be slight for a time, owing to the pressure of domestic business. But the age when any country can be wholly self-contained in the economic sense has passed. Sooner or later the slump would be bound to react on our own prosperity. Slice off a billion or two from the trade of any country and some cogs in the industrial machine would surely stop turning. The inertia would spread. Domestic ramifications of an export trade are beyond estimate.

Cudahy Profits Less, While Sales Increase

The passing of old-fashioned corned beef and "other fine and palatable but cheaper cuts" out of vogue is tending to prevent a return to former meat prices, according to E. A. Cudahy, president of the Cudahy Packing Company, in his annual report to stockholders of the company, made public yesterday.

"The facts and experience of retailers indicate," the packer asserts, "that so far as the purchasing public is concerned there has been an abnormal demand this year for articles of the highest price and quality. Everybody has wanted the best and has seemed to have the money to pay any price for it. Cheap meats and cheap everything appear to be a drug on the market and almost unsalable. If there was a better demand for and if a better price could be realized from the cheaper cuts it would have the most beneficial effect all around. It would reduce the demand for the highest grades and probably would reduce their prices—it would also enable the animal as a whole to be handled to better advantage and, while really decreasing the prices the public is paying for the meats, would produce more money for the animal and its products considered as a whole."

In regard to the charges that the packers have been profiteering, Mr. Cudahy points out that after deducting excess profit and income taxes the net profits of the company in the year ended November 2 last amounted to $2,064,994, compared with $3,876,808 the previous year, whereas gross sales increased in the year covered by the report. The gross sales in the year ended November 2, 1919, were $306,000,000, compared with $286,660,971. The company earned $8.04 a share on the common stock in the year covered in the report, but this is not comparable with earnings per share a year ago, but of the large increase in the number of shares outstanding.

"It will be observed from the figures submitted," the president continues, "that not only is our rate of profit as compared to gross sales this year less than ever, but also that our average profit per pound has been certainly less than one-fourth cent. Surely no fair-minded person would say that such profits, considering the risk and uncertainties of the business, a large part of which is in a highly perishable commodity, are in any sense adequate. And it is a strange anomaly that in a year which on the whole has resulted in relatively low profits we have none the less been subjected to greatly increased criticism."

Mr. Cudahy further refers in detail to the decline in prices of beef and hogs since midsummer.

After taxes and the payment of $1,684,500 dividends on the preferred and common stock, $380,494 was added to the surplus, bringing that item up to $9,620,574.

Interest on Two Loans Due

Coupons of First Liberty Loan bonds and Victory notes become redeemable to-day. The government is prepared to pay out a total of $143,533,377 in interest. About a sixth of that sum is payable to government bondholders in New York and vicinity, as $1,762,308,250 was subscribed in this district to the issues of First loan and the Victory notes, the total of which amounted to $6,500,000,000.

To encourage the investment of the interest money in war savings stamps, it has been arranged to have post offices accept the coupons in payment for stamps.

Standardiaztion of Export Quotations Is Discussed

Representatives of New York commercial organizations interested in foreign trade will meet at 10 o'clock this morning at India House, Hanover Square, to discuss standardization of export quotations. The meeting was called as a result of dissatisfaction with the present situation, which has been created by the varying interpretations placed on quotations in different countries. The American Chamber of Commerce in London is now at work on data for standardization for submission to the seventh foreign trade convention

Transactions Last Week in Listed Stocks

Summary of Stock Exchange Dealings

Stocks

	Last week.	Week before.	Year ago.	January 1 to date 1919.	1918.	1917.
Railroads	838,900	1,013,800	568,200	40,746,300	21,296,100	23,169,700
Other stocks	8,928,800	4,357,300	1,921,100	255,991,400	121,502,300	157,601,800
All stocks	9,767,700	5,370,800	2,489,300	296,737,700	142,798,400	180,771,500

Bonds

	Last week.	Week before.	Year ago.	1919.	1918.
U. S. government	$114,128,000	$10,621,000	$41,611,000	$2,553,719,000	$1,181,998,000
Railroads	7,783,000	1,530,000	6,304,000	262,316,000	156,841,000
Other bonds	2,800,400	21,432,000	6,834,000	424,902,000	452,223,000
All bonds	149,915,000	136,227,000	54,749,000	324,093,700	1,791,062,000

Record of Stock and Bond Averages

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Stocks

	Last week. High.	Low.	Year ago. High.	Low.	Range Jan. 1 to date 1919. High.	Low.	Range full year 1918. High.	Low.
20 Railroads	66.10	63.35	75.35	73.70	78.30	63.35	79.15	66.12
30 Industrials	105.60	101.33	84.63	83.70	119.33	79.20	88.83	73.37
50 Stocks	89.80	86.14	81.42	79.72	99.54	75.92	84.08	70.30

Bonds

	Last week. High.	Low.	Year ago. High.	Low.	Range Jan. 1 to date 1919. High.	Low.	Range full year 1918. High.	Low.
10 Railroads	73.96	73.10	85.01	84.45	82.80	73.10	86.57	76.62
10 Industrials	91.75	90.82	94.11	93.87	95.70	90.82	94.08	67.40
5 Utilities	74.42	73.84	88.60	87.72	87.75	71.80	89.02	82.60
25 Bonds	81.17	80.33	89.29	88.93	87.91	80.33	89.46	83.62

High 1919.	Date.	Low 1919.	Date.	Div. in $.		Sales.	High.	Low.	Close.	Net chge.
64	May 23	29⅝	Apr 26	—	Adams Exp	700	33	30	30	+ 2
54	July 7	21	Jan 21	—	Advance Rumely	5200	46	41⅜	42½	— 1
76	June 9	56½	Jan 20	6	do pr	400	74	73½	74	——
113	July 18	66	Jan 13	6	Ajax Rubber	2100	89⅜	82¾	83	— 2
4¼	Jan 15	2	Dec 1	—	Alaska Gold Mines	6200	2¼	2	2	— ⅛
3¼	July 14	1¾	Jan 2	—	Alaska Juneau	9800	2⅜	2	2¼	— ¼
51⅝	Oct 8	30	Jan 21	—	Allis Chalmers	44600	48⅝	44	46½	+ 3
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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Norwegian Ship Owners Ask Settlement at Once

CHRISTIANIA, Dec. 14.—Thus far it has been impossible to conclude the negotiations between the American Shipping Board and the large Norwegian shipowners arising from the requisitioning by the Shipping Board of Norwegian vessels in American waters. Therefore, the so-called "Christiania group" of shipowners has requested the Norwegian Legation in Washington to deliver a note of protest to the American government, asking for an immediate settlement of the controversy.

Queensland Will Seek Loan In London at 6 Per Cent

LONDON, Dec. 14.—It is understood that Queensland will come into the London market in a few days with a 6 per cent loan at 98½. This is the first time a self-governing dominion has offered 6 per cent. Queensland paid only 4½ per cent five years ago, and since then has borrowed from the commonwealth under a short term payment arrangement.

Twenty years ago Queensland came to London, offering 3 per cent at 94.